



REGULATORY DIV.

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01 SEP 18 PM 6:00
Joelle J. Phillips
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September 18, 2001

VIA HAND DELIVERY

Mr. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

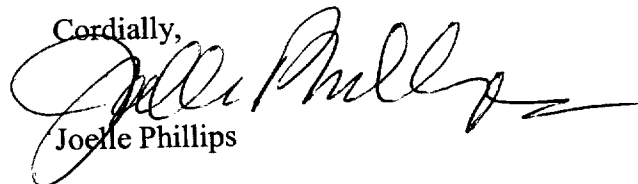
Re: *Petition of MCI WorldCom to Enforce Interconnection Agreement with BellSouth*
Docket No. 99-00662

Dear Mr. Waddell:

Enclosed please find the original and thirteen copies of the Direct Testimony of Richard McIntire and Patrick Finlen. Copies have been provided to counsel of record

The parties have also been asked to submit jointly a list of stipulations of fact and a statement of the issues raised in this matter. After consulting with counsel for MCImetro, we have determined that the parties are unable to reach a meaningful list of stipulations of undisputed facts. With respect to the statement of issues, the parties have been able to agree that the issues may be divided into two major disputes: (1) what is the correct rate to be applied for reciprocal compensation? and (2) what is the correct number of minutes of usage for which reciprocal compensation is owed? While the parties recognize that there are certain sub-issues related to these larger issues, the parties have been unable to reach a mutually acceptable articulation of these additional sub-issues. The parties agree, however, that all of the issues are encompassed by the two questions recited above.

Cordially,



Joelle Phillips

JP/jej

Enclosure

CERTIFICATE OF SERVICE

I hereby certify that on September 18, 2001, a copy of the foregoing document was served on the parties of record, via the method indicated:

☐ Hand
☐ Mail
☒ Facsimile
☐ Overnight

Henry Walker, Esquire
Boult, Cummings, et al.
414 Union Ave., #1600
P. O. Box 198062
Nashville, TN 39219-8062

A handwritten signature in black ink, appearing to read "J. Walker", is written over a horizontal line.

1 BELLSOUTH TELECOMMUNICATIONS, INC.
2 DIRECT TESTIMONY OF RICHARD MCINTIRE
3 BEFORE THE TENNESSEE REGULATORY AUTHORITY
4 DOCKET NO. 99-00662
5 SEPTEMBER 18, 2001

6
7
8 Q. PLEASE STATE YOUR NAME, POSITION, AND ADDRESS WITH BELLSOUTH
9 TELECOMMUNICATIONS, INC. (HEREINAFTER REFERRED TO AS
10 "BELLSOUTH").

11
12 A. My name is Richard McIntire. I am employed by BellSouth as an Operations Director in
13 the Local Interconnection Services Center ("LISC"). My business address is 600 North
14 19th Street, Birmingham, Alabama, 35203.

15
16 Q. PLEASE DESCRIBE YOUR CURRENT RESPONSIBILITIES.

17
18 A. Currently, I have the responsibility of managing the LISC Invoicing Group, which
19 verifies and pays invoices from competitive local exchange carriers ("CLECs"), paging
20 companies, and commercial mobile radio service ("CMRS") providers. These invoices
21 represent services and facilities purchased by BellSouth from CLECs, paging companies
22 and CMRS providers.

1 Q. PLEASE SUMMARIZE YOUR BACKGROUND AND EXPERIENCE.

2
3 A. In 1973, I received a Bachelor of Science degree in Civil Engineering from the
4 University of Kentucky. I am a Licensed Professional Engineer, having obtained that
5 license in 1978. I began employment with BellSouth in 1973, and held several positions
6 in the Network Department before assuming my current position in January 1998.

7
8 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

9
10 A. The purpose of my testimony is to explain BellSouth's method of determining the
11 jurisdiction of traffic originated by BellSouth and terminated by MCImetro Access
12 Transmission Services, Inc. ("MCImetro"). BellSouth makes this jurisdictional
13 determination through the use of a percentage local use ("PLU") factor. For the traffic in
14 dispute in this proceeding, a PLU is the most accurate method of determining
15 jurisdiction. Further, I will address the issue of MCImetro submitting invoices to
16 BellSouth that reflect more minutes of use than BellSouth originated to MCImetro.
17 Finally, I will address issues raised by MCImetro in the affidavits of Dan Aronson dated
18 August 17, 2001 and August 31, 2001.

19
20 ISSUE REGARDING THE JURISDICTION OF TRAFFIC

21
22 Q. HOW DOES BELL SOUTH DETERMINE THE JURISDICTION OF TRAFFIC
23 ORIGINATED BY BELL SOUTH AND TERMINATED BY MCIMETRO?

1
2 A. BellSouth utilizes a two-step process in determining the jurisdiction of traffic (*i.e.*,
3 whether a call is local, IntraLATA, or InterLATA). Initially, BellSouth's switches record
4 the automatic message accounting ("AMA") data for each call originated by BellSouth.
5 In a nutshell, the AMA data provides the NPA/NXXs of the origination point and
6 termination point of the call, which provides a starting point, in the determination of
7 whether the call is local, IntraLATA toll, or InterLATA.

8
9 In the second step, the AMA data is compared to customer service record ("CSR")
10 information to determine whether any one of thirteen extended calling area plans is used
11 by the originating end-user. These extended area calling plans can transform a call that
12 traditionally would be IntraLATA into a call that is local. Thus, if BellSouth originates a
13 call that is local, the jurisdiction is categorized as local. If the BellSouth-originated call
14 appears to be IntraLATA, the originating telephone number is compared against
15 BellSouth CSR records to determine if the originating end-user has a calling plan under
16 which the call would be local. If the call is in fact local because of the plans, then the
17 jurisdiction is counted as local. If the call is in fact IntraLATA, then the jurisdiction is
18 counted as IntraLATA. In addition, BellSouth must also determine whether any of the
19 calls that appear to be IntraLATA are actually local calls due to the TRA-mandated
20 program of county-wide local calling. BellSouth utilizes this comparison process in
21 calculating a PLU that accurately reflects the percentage of local calls being terminated
22 by MCImetro.

1 Q. CAN MCIMETRO DETERMINE THE JURISDICTION OF A CALL BASED SOLELY
2 ON THE AMA DATA AS IT CONTENDS?

3
4 No. As described above, the AMA data being used provides nothing more than the
5 originating and terminating NPA-NXX and the duration of that call. As discussed below,
6 even MCImetro concedes that it must use a "Step 2" process to use the AMA data to
7 determine jurisdiction. Obviously, this raw AMA data does not take into account the fact
8 that many end-users subscribe to local calling plans that change traditional local calling
9 areas or the impact of county-wide calling. Without this calling plan information, which
10 can only be obtained by BellSouth through proprietary CSR data, MCImetro cannot
11 accurately determine the jurisdiction of a call that MCImetro terminates for BellSouth.

12
13 Q. DO THE AVAILABLE EXTENDED AREA CALLING PLANS INVOLVE MANY
14 END-USERS?

15
16 A. Yes. As reflected in Exhibit 1 to my testimony, as of February 2001, over 100,000 end-
17 users subscribed to such extended-area calling plans. Moreover, each such end-user may
18 make numerous calls each month that would appear, based on AMA data, to be
19 IntraLATA, when they are in fact local. In addition, every Tennessee citizen is entitled to
20 county-wide calling. These calls could also appear to be IntraLATA, if county-wide
21 calling were ignored.

1 Q. HOW DOES BELLSOUTH CALCULATE THE PLU THAT MCIMETRO IS
2 REQUIRED TO USE IN SUBMITTING INVOICES TO BELLSOUTH?
3

4 A. BellSouth determines the jurisdiction of calls using the two-step method described above.
5 Based on this determination, each quarter BellSouth calculates the IntraLATA PLU by
6 dividing the total local minutes of use by the total minutes of use collected (*i.e.*, local call
7 minutes + IntraLATA call minutes). By using this method, BellSouth's PLU correctly
8 jurisdictionalizes calls made in conjunction with extended area local calling plans and
9 county-wide calling.
10

11 Q. HAS MCIMETRO BEEN USING THE BELLSOUTH PROVIDED PLU?
12

13 A. No, MCImetro refused to use BellSouth's PLU and has asserted that MCImetro
14 determines traffic jurisdiction by first gathering the AMA data and second comparing it
15 to the rate centers as set forth in the General Subscriber Services Tariff. This is also a
16 two-step system, but MCImetro's "Step-2" does not address the issues created by
17 extended area local calling plans and county-wide calling.
18

19 Q. DOES MCIMETRO'S TWO-STEP SYSTEM PRODUCE ACTUAL CHARGE
20 INFORMATION?
21

22 A. No. MCImetro's "Step-2" relies on the information set out in the tariff. The tariff merely
23 sets out the rate centers. Obviously, it does not identify the calls that are made by

1 particular end-users with the local calling plans described above and, therefore, does not
2 produce actual charge information. Without knowing the calling plans of each specific
3 end-user, it is not possible to produce accurately "actual charge information." For
4 example, two next door neighbors could call the same number, but depending on their
5 calling plan, one neighbor would place a local call while one would place an IntraLATA
6 call. MCImetro's assertion that their methodology is more accurate than the use of a PLU
7 is wrong because their methodology has no means to account for the calling plans and
8 county-wide calling issues described above, while the BellSouth PLU takes these issues
9 into account.

10
11 ISSUE REGARDING OVER-BILLING BY MCIMETRO

12
13 Q. HAVE THERE BEEN ANY DIFFERENCES BETWEEN THE MONTHLY INVOICED
14 USAGE FROM MCIMETRO AND WHAT BELL SOUTH CAN VERIFY?

15
16 A. Yes. MCImetro has consistently invoiced more usage than BellSouth can verify.
17 BellSouth verifies usage by looking at the number of minutes of use that BellSouth's
18 switches indicate were originated to MCImetro for termination. It appears from the data
19 we have gathered that MCImetro is billing BellSouth for *all* of the traffic transversing the
20 BellSouth switches, not just the traffic originated by BellSouth. In other words,
21 MCImetro is billing BellSouth for transit traffic, which is traffic that is originated by a
22 carrier other than BellSouth, such as an Independent company (ICO), a CLEC other than
23 MCImetro, or an Interexchange carrier (IXC). This is significant because MCImetro is

1 not allowed to bill BellSouth for transit traffic. Instead, MCImetro is supposed to bill
2 those carriers (ICOs, CLECs, and IXC's) directly.

3
4 Q. HAS MCIMETRO IDENTIFIED ANY ISSUE AS THE SOURCE OF THE
5 DISCREPANCY IN MINUTES OF USAGE?

6
7 A. Yes. MCImetro contends that BellSouth is failing to include minutes of use directed to
8 ported numbers. In other words, MCImetro contends that when a BellSouth end-user
9 calls a number that has been ported to MCImetro (a number that was assigned originally
10 to BellSouth but is now assigned to MCImetro because the MCImetro end-user retained
11 that number when changing from BellSouth local service to MCImetro local service), the
12 BellSouth switches are not capturing those calls. MCImetro's contention is simply
13 wrong. BellSouth's AMA data reflects ported numbers.

14
15 Q. HOW DOES BELL SOUTH KNOW THAT MCIMETRO IS WRONG ABOUT
16 RECORDING OF PORTED NUMBERS?

17
18 A. If MCImetro were right, which it is not, then MCImetro's end-users would never receive
19 the calls in question. When a call is made, the BellSouth network performs an inquiry to
20 determine if the NPA/NXX is included in a database of ported numbers. If it is not a
21 ported telephone number, then the call completes as normal. If it is a ported telephone
22 number, then the telephone number would have an associated local routing number
23 (LRN). This would identify the owner of the particular number dialed. It would then

1 complete the call to the appropriate party. If no LRN has been assigned, then the call
2 would be blocked before reaching MCI metro's network, and, obviously, MCI metro's end-
3 user would never receive the calls.
4

5 BELLSOUTH RESPONSIVENESS TO MCIMETRO BILLING INQUIRIES
6

7 Q: IN HIS AFFIDAVIT DATED AUGUST 17, 2001, MR. DANIEL ARONSON,
8 DESCRIBES COMMUNICATION RELATING TO BILLING ISSUES. CAN YOU
9 DESCRIBE THE CIRCUMSTANCES UNDER WHICH THESE COMMUNICATIONS
10 TOOK PLACE?
11

12 A: Yes. My organization is the primary point of contact for communications between
13 BellSouth and MCI metro concerning billing from MCI metro to BellSouth, and, in fact,
14 there are personnel specifically dedicated to handling the MCI metro account. In this
15 capacity, I have spoken to Mr. Aronson on several occasions regarding various issues,
16 including the dispute between the companies about how to determine jurisdiction of calls,
17 the disparity in calculation of minutes, and the applicable rates.
18

19 Q: DO YOU RETURN MR. ARONSON'S CALLS AND RESPOND TO HIS REQUESTS
20 FOR INFORMATION?
21

1 A: Yes. Contrary to Mr. Aronson's allegations, I regularly return Mr. Aronson's calls. I am
2 not aware of any request for information from Mr. Aronson that has not been addressed. I
3 believe BellSouth has provided all information requested by MCImetro.
4

5 Q: GIVEN THAT YOU RETURN MR. ARONSON'S CALLS AND RESPOND TO HIS
6 REQUESTS FOR INFORMATION, WHY DO YOU BELIEVE MCIMETRO HAS
7 COMPLAINED ABOUT YOUR RESPONSIVENESS?
8

9 A: While I return Mr. Aronson's calls, I don't always tell him what I believe he wants to
10 hear. Similarly, the service representatives to whom Mr. Aronson has spoken in my
11 organization are instructed to refer Mr. Aronson to a higher-level employee rather than
12 discuss the disputes at issue in this docket. Consequently, I don't believe that
13 Mr. Aronson is complaining about when or how often we call him; but rather, he is
14 disappointed that we don't agree with his position when we call him.
15

16 Q. DOES THIS CONCLUDE YOUR TESTIMONY?
17

18 A. Yes.
19

EXHIBIT 1

Tennessee	Number of End-Users Subscribing to Plan	Feb-01
Service		
Area Plus 40 miles		15,302
APCC 40 miles		14,313
Low Use Measured		3,206
Measured Service		4,679
Message Rate		57,279
RegionServ w/o discount		5,715
RegionServ w/discount		5,246
Morristown Economy*		117
Morristown Standard*		139
Memphis-Collierville Flat Rate**		5,238
Memphis-Collierville Message Rate**		138
Memphis-Collierville Measured Rate**		9
Memphis-Collierville Low Use Measured**		1
State Total		111,382

* Plans addressing east-Tennessee areas

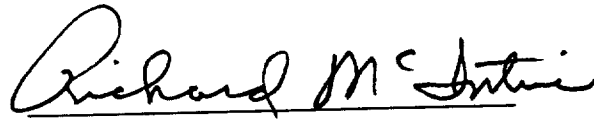
** Plans addressing Memphis area.

AFFIDAVIT

STATE OF: Alabama
COUNTY OF: Jefferson

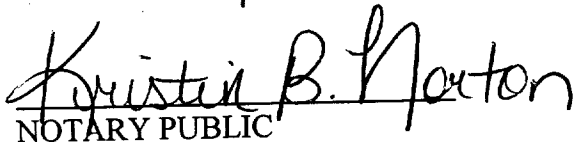
BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Richard McIntire-Operations Director, Interconnection Services, BellSouth Telecommunications, Inc., who, being by me first duly sworn deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 99-00662 on behalf of BellSouth Telecommunications, Inc., and if present before the Authority and duly sworn, his testimony would be set forth in the annexed testimony consisting of 9 pages and 1 exhibit(s).



Richard McIntire

Sworn to and subscribed
before me on September 14, 2001.


NOTARY PUBLIC

Notary Public, Pike County, Georgia
My Commission Expires March 30, 2004

1 Bellsouth Telecommunications, Inc.

2 Direct Testimony of Patrick C. Finlen

3 Before the Tennessee Regulatory Authority

4 Docket No. 99-00662

5 September 18, 2001

6
7
8 Q. Please state your name, address, and position with Bellsouth
9 Telecommunications, Inc. (hereinafter referred to as
10 "Bellsouth").

11
12 A. My name is Patrick C. Finlen. I am employed by BellSouth as a Managing Director in
13 the Interconnection Services, Marketing Department. My business address is 675 West
14 Peachtree Street, Atlanta, Georgia, 30375.

15
16 Q. Please describe your current responsibilities.

17
18 A. I currently have the responsibilities of negotiating local interconnection contracts with
19 Competitive Local Exchange Companies ("CLECs") and supervising other negotiators in
20 this Department. I have overall responsibility for numerous negotiations including
21 MCI/WorldCom.

22
23 Q. Please summarize your background and experience.

24

1 A. I received a Master of Arts Degree in Public and Private Management in 1994, and a
2 Bachelor of Arts Degree in Accounting in 1985 from Birmingham-Southern College in
3 Birmingham, Alabama. I also have an Associate of Science degree in Data Processing
4 from Jefferson State Junior College in Birmingham, Alabama. I began employment with
5 South Central Bell in 1977, and have held various positions in the Network Operations,
6 Consumer Forecasting, Marketing, Regulatory, and Customer Markets Wholesale Pricing
7 Departments before assuming my current responsibilities in the Interconnection Services,
8 Marketing Department.

9
10 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

11
12 A. The purpose of my testimony is to address several issues that were raised in MCImetro
13 Access Transmission Services, Inc.'s ("MCImetro") Motion for Sanctions for Failure to
14 Comply with TRA Order ("Motion for Sanctions"). I will address the following issues
15 raised in MCImetro's Motion for Sanctions and in Mr. Aronson's Affidavit:

- 16 • Whether or not BellSouth has complied with the July 12 Order of the
17 Tennessee Regulatory Authority ("TRA") in this docket;
- 18 • The provisions of the Interconnection Agreement between BellSouth and
19 MCImetro that govern how the parties are to handle billing disputes;
- 20 • The provisions of the Interconnection Agreement that govern the calculation
21 of reciprocal compensation; and
- 22 • MCImetro's overbilling BellSouth for minutes of use.

23
24 **COMPLIANCE WITH THE TRA'S ORDER**

1 Q. HAS BELL SOUTH COMPLIED WITH THE JULY 12 ORDER OF THE TRA IN THIS
2 DOCKET?

3
4 A. Yes. In that Order, the TRA ordered BellSouth to treat ISP-bound traffic as local traffic
5 under the terms of the Interconnection Agreement and pay reciprocal compensation to
6 MCI metro in accordance with the provisions set forth in the Interconnection Agreement.
7 BellSouth has paid the entire amount that it had withheld on the basis of the ISP-bound
8 traffic issue – in compliance with the TRA's Order. In fact, BellSouth has paid \$2.9
9 million to MCI metro.

10
11 Q. MCIMETRO'S MOTION FOR SANCTIONS ALLEGES THAT BELL SOUTH IS
12 "WITHHOLDING RECIPROCAL COMPENSATION PAYMENTS ... FOR THE
13 PURPOSE OF PRESSURING THOSE CARRIERS INTO SETTLING FOR LESS
14 THAN THE FULL AMOUNT OWED" (PAGE 2). PLEASE RESPOND.

15
16 A. BellSouth is not withholding reciprocal compensation payments that are rightfully owed,
17 and BellSouth is absolutely not attempting to force carriers to settle disputes by
18 withholding reciprocal compensation payments. BellSouth has paid, and will continue to
19 pay, bills it rightfully owes, whether it is determined that payment is owed by order of a
20 regulatory body, by operation of the contract, or by mutual agreement, in a timely
21 manner. BellSouth will not pay bills from carriers that are inaccurate and not in
22 accordance with the terms of the Interconnection Agreement between BellSouth and that
23 carrier. In this case, MCI metro is demanding that BellSouth pay substantially more than
24 is owed.

1
2 Q. SINCE BELLSOUTH HAS FULLY COMPLIED WITH THE TRA'S ORDER IN THIS
3 DOCKET, WHY IS MCIMETRO ASKING THE TRA TO IMPOSE SANCTIONS ON
4 BELLSOUTH?

5
6 A. MCImetro has demanded payment of an amount that BellSouth believes to be grossly
7 inaccurate. When BellSouth questioned MCImetro's method of calculation and disputed
8 the amount, MCImetro responded by filing the Motion for Sanctions. In its Motion,
9 MCImetro attempts to circumvent the provisions of the Interconnection Agreement by
10 asking the TRA to summarily endorse MCImetro's position in a \$7.3 million billing
11 dispute between the parties regarding the proper calculation of the amount BellSouth
12 owed to MCImetro as a result of the TRA's Order. The Interconnection Agreement spells
13 out how the parties are to calculate reciprocal compensation payments and how the parties
14 are to handle billing disputes, and MCImetro's calculation is both inconsistent with the
15 Interconnection Agreement and flawed due to improper methodology. MCImetro has
16 ignored the requirements in the Interconnection Agreement establishing a specified
17 procedure for handling billing disputes prior to involving the TRA.

18
19 **BILLING DISPUTE**

20 Q. WHAT IS THE APPROPRIATE PROCEDURE TO FOLLOW IN A BILLING
21 DISPUTE ACCORDING TO THE INTERCONNECTION AGREEMENT?

22
23 A. Section 3.1.18 of Attachment VIII describes the billing dispute procedure. Each party
24 must notify the other party of any billing dispute. The parties then have 60 calendar days
25 to resolve the issue at the first level of management. Failing that, the issue is escalated to

1 the second level of management for an additional 30 days. Then the dispute is taken to
2 the third level of management. If the issue still isn't resolved after a total of 120 days, the
3 issue may be brought to the TRA pursuant to the Dispute Resolution Procedure contained
4 in Section 23 of Part A of the Interconnection Agreement.

5
6 In addition to this formal process, in the course of dealings between BellSouth and
7 MCImetro, the parties have routinely notified each other of disputes or inconsistencies
8 regarding bills. Throughout that course of dealing, MCImetro has routinely withheld
9 payments to BellSouth on disputed amounts.

10
11 Q. HAS MCIMETRO COMPLIED WITH THIS DISPUTE RESOLUTION PROCEDURE?

12
13 A. No. BellSouth has tried to invoke this procedure more than once via two letters to
14 MCImetro's outside counsel, and, rather than engaging in the contractually agreed upon
15 method of settling such disputes, MCImetro has breached the Interconnection Agreement,
16 submitted an affidavit, alleging incorrectly, that BellSouth has not invoked the dispute
17 resolution process, and asked the TRA to grant MCImetro the right to unilaterally
18 determine the amounts owed pursuant to the TRA's Order.

19
20 In addition, MCImetro has wrongly asserted that the Interconnection Agreement requires
21 BellSouth to pay all amounts demanded, even if disputed. As noted above this is
22 inconsistent with how MCI handles its billing disputes with BellSouth.

23
24 Q. WHAT ARE THE ISSUES IN THIS BILLING DISPUTE?

1 A. There are four major issues: (1) the appropriate rate for the traffic at issue – which
2 accounts for the majority of the disputed amount, (2) the method of determining the
3 jurisdiction of the traffic exchanged by the parties, (3) the determination of the
4 appropriate number of minutes exchanged by the parties, and (4) whether the disputing
5 party must pay amounts billed in advance of resolution of the dispute.
6

7 Q. PLEASE EXPLAIN THE DISPUTE OVER THE APPROPRIATE RECIPROCAL
8 COMPENSATION RATE FOR THE TRAFFIC AT ISSUE IN THIS CASE.
9

10 A. Table 1 of Attachment 1 of the Interconnection Agreement sets forth the rate for end
11 office switching – local termination at \$0.004 per minute of use. Section 1.1 of
12 Attachment 1 states that the rates in the Interconnection Agreement are interim and
13 subject to true-up until the TRA sets permanent rates. The TRA ordered a rate of
14 \$0.0008041 per minute of use on December 19, 2000.
15

16 Since the parties were heavily involved in negotiations on a new "Follow-On"
17 Interconnection Agreement at that time, neither party actively sought to exercise its right
18 to true-up the payments made. However, Section 3, Part A of the current Interconnection
19 Agreement states that the terms of the next Interconnection Agreement will apply
20 retroactively to the expiration date of the Interconnection Agreement at issue in this case.
21 The terms of that Interconnection Agreement will incorporate the TRA-ordered rates. In
22 anticipation of application of the new rates, BellSouth calculated the reciprocal
23 compensation for the period after April 3, 2000, using the TRA-ordered rate. When
24 MCImetro indicated that it did not consider this to be acceptable, BellSouth offered an

1 amendment to MCImetro incorporating the reciprocal compensation rates ordered by the
2 TRA into the existing Interconnection Agreement.

3
4
5 MCImetro refused to accept the amendment that was offered in good faith by BellSouth
6 to incorporate the TRA-ordered end office switching rate. In fact, MCImetro has never
7 explained its refusal to amend the Interconnection Agreement to begin implementing the
8 correct rates. Rather, MCImetro has stated that "[u]nlike some other carriers, MCI
9 WorldCom has not elected to substitute the TRA's new UNE rates for the rates contained
10 in the Interconnection Agreement!" MCImetro is not the only party to this
11 Interconnection Agreement with the right to seek new rates. The contract specifically
12 gives both parties the right to seek an amendment to the Interconnection Agreement. *See*
13 Section 2, General Terms and Conditions, Part A. Moreover, the TRA's ordered UNE
14 rates are not optional. Absent a new rate negotiated by the parties, neither party is
15 entitled to retain the outdated rates over the other party's objection.

16
17
18 Q. NOTWITHSTANDING MCIMETRO'S REFUSAL TO AMEND THE
19 INTERCONNECTION AGREEMENT, IS AN AMENDMENT NECESSARY TO
20 EFFECTUATE THE TRA'S ORDERED RATE FOR END OFFICE SWITCHING?

21
22 A. No. Attachment IV, Section 2.2.1 states that the rates for reciprocal compensation are as
23 set forth in the Interconnection Agreement "...and the Order of the TRA." While
24 BellSouth prefers to effectuate changes to an Interconnection Agreement by a written
25 amendment, based on the clear language of this Interconnection Agreement, I do not

1 believe that an amendment to the Interconnection Agreement is necessary to update the
2 reciprocal compensation rates. Accordingly, the rate under this contract changed
3 automatically when the rate in the "Order of the TRA" changed.
4
5

6 Q. PLEASE EXPLAIN THE DISPUTE OVER THE APPROPRIATE METHOD FOR
7 DETERMINING THE JURISDICTION OF TRAFFIC EXCHANGED BETWEEN THE
8 PARTIES.
9

10 A. MCImetro contends that the Interconnection Agreement calls for the parties to bill on
11 actual jurisdiction of the calls exchanged, as opposed to a PLU, if such information is
12 available. This position is premised solely upon Section 3 of Attachment VIII, which
13 states that, where actual charge information is not available, the parties will use another
14 process to determine jurisdiction of traffic. Even MCImetro concedes that, where the
15 actual charge information is not available, the parties have agreed to use a PLU.
16 MCImetro further claims that it has a method of determining the exact jurisdiction for
17 each call sent by BellSouth to MCImetro for termination. Yet, for the reasons described
18 in Mr. McIntire's testimony, MCImetro's method does not produce accurate jurisdictional
19 information. Accordingly, the PLU must be used.
20

21 Section 7.1 of Attachment IV of the Interconnection Agreement does call for the parties
22 to use Automatic Message Accounting ("AMA") recordings as the starting point for
23 billing. Given the nature of this data, however, no one could seriously contend that AMA
24 data alone can be used to determine the jurisdiction of calls.
25

1 Q. WHAT OTHER PROVISIONS IN THE INTERCONNECTION AGREEMENT
2 ADDRESS USAGE MEASUREMENT AND DETERMINATION OF JURISDICTION?
3

4 A. In addition to those sections discussed above, other provisions, which must be read
5 together, must be considered. Specifically, Section 7.3 states that the parties are to
6 exchange usage reports, including a Percent Local Use ("PLU") factor. In addition,
7 Section 8.2 says that these reports are to be used to "...facilitate the proper billing of
8 traffic." To my knowledge, MCImetro cannot create actual charge information to
9 determine the jurisdictionality of any call originated by BellSouth without making use of
10 the BellSouth-provided PLU factor. Again, although AMA recordings are used as a
11 starting point in determining the total number of minutes carried on a facility for a given
12 billing period, they do not determine the jurisdiction, and hence, the proper billing of the
13 individual calls.
14

15 According to Mr. Aronson, MCImetro claims that the Interconnection Agreement
16 between the parties does not require the use of a PLU factor to determine proper billing.
17 MCImetro claims that it can use terminating AMA recordings to compare the originating
18 and terminating NPA-NXX to a table that defines calls as local or toll based on the NPA-
19 NXXs associated with each rate center. MCImetro also has failed to explain how NPA-
20 NXXs can be used to determine jurisdictionality when MCImetro cannot know which
21 BellSouth end-users "subscribe to an extended area plan. In addition, as described by
22 MCImetro, the MCImetro methodology fails to account for instances in which end users
23 have made toll-free intra-county calls." Moreover, the phenomenon of virtual
24 NPA/NXXs could further render the MCImetro method erroneous. Given the failure to

1 address any of these issues, the MCImetro method does not provide actual charge
2 information.

3
4 Q. SINCE THE INTERCONNECTION AGREEMENT REQUIRES THE USE OF A SELF-
5 REPORTED PLU TO DETERMINE PROPER BILLING, DO THE PARTIES HAVE
6 ANY MEANS OF ASSURING THEMSELVES THAT THE PLU IS ACCURATE?
7

8 A. Yes. Section 8.2 of Attachment IV allows either party to request an audit of the PLU
9 factor and other self-reported usage reports if desired. MCImetro has not asked for such
10 an audit.
11

12 MCImetro's assertion that it can create actual usage data is incorrect because the AMA
13 data is merely the starting point in the two-step process for determining call jurisdiction.
14 The PLU is the most accurate methodology available, and it is required under the
15 contract. Moreover, in the absence of actual charge information, MCImetro is not free to
16 choose its own method for determining jurisdiction. Rather, it must use the method
17 determined by the parties for instances in which there is no actual charge information
18 available. In his letter dated July 16, 2001, Mr. Aronson confirms that the contract
19 requires the use of a PLU "in instances where actual charge information is not available."
20

21 Q. PLEASE EXPLAIN THE DISPUTE OVER THE NUMBER OF MINUTES FOR
22 WHICH MCIMETRO HAS BILLED BELLSOUTH.
23

24 A. Based on its recordings of minutes terminated over trunks from BellSouth, MCImetro has
25 billed BellSouth approximately 166 million minutes of use more than BellSouth's

1 recordings show it originated over the same trunks. BellSouth has not blindly paid
2 whatever MCImetro bills without paying heed to the accuracy of the bills, and BellSouth
3 is not required to do under the contract.
4

5 Q. PLEASE EXPLAIN HOW MCIMETRO'S RECORDINGS COULD SHOW MORE
6 MINUTES OF USE THAN BELLSOUTH ORIGINATED?
7

8 A. MCImetro could be billing BellSouth for transit traffic, which should properly be billed
9 to the originating third carrier. The reason for this is transit trunks sometimes do not have
10 enough capacity to handle the traffic that is being passed to MCImetro. BellSouth legally
11 cannot block the calls so the traffic may be temporarily routed over the trunks in place to
12 carry BellSouth's local traffic to MCImetro for termination. In the case of a "Supergroup"
13 interconnection arrangement, where local, intraLATA toll, and transit traffic is exchanged
14 on a single two-way trunk group, records are provided to CLECs that should allow them
15 to separate traffic that should be billed to third parties. In either instance, MCImetro may
16 not be backing out the transit traffic to be billed to other parties.
17

18 Q. HAS BELLSOUTH FOLLOWED PROPER DISPUTE PROCEDURES?
19

20 A. Yes. BellSouth sends a letter to MCImetro explaining any amounts withheld to institute a
21 billing dispute. No provision of the contract requires BellSouth to pay disputed amounts
22 pending resolution of the dispute. Moreover, MCImetro does not adhere to the "pay now,
23 argue later" requirement it asserts.
24

1 Q. WHY WAS THERE NO BILLING DISPUTE OF THIS TYPE IN CONNECTION
2 WITH THE TRA ORDER REQUIRING BELL SOUTH TO COMPENSATE BROOKS
3 FIBER FOR ISP-BOUND TRAFFIC?
4

5 A. The major difference in the Brooks Fiber case is that neither party maintained that it could
6 or should supercede the plain terms of the Interconnection Agreement in favor of a self-
7 proclaimed "better" method of determining proper billing. Accordingly, MCI metro never
8 demanded a number so grossly inconsistent with BellSouth's calculations. The actual
9 amount paid in that case was reached by an agreement between the parties.
10

11 Q. WHAT DO YOU WANT THE AUTHORITY TO DO?
12

13 A. BellSouth requests the Authority determine that BellSouth has complied with the
14 Authority's order by paying MCI metro \$2.9M. Alternatively, BellSouth requests the
15 Authority to order the parties to follow the Interconnection Agreement regarding billing
16 disputes. These procedures were specifically designed to handle the very issues raised by
17 MCI metro in the Motion for Sanctions.
18

19 Q. DOES THIS CONCLUDE YOUR TESTIMONY?
20


21 A. Yes.

AFFIDAVIT

STATE OF: Georgia
COUNTY OF: Fulton

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Patrick C. Finlen-Managing Director, Interconnection Services, BellSouth Telecommunications, Inc., who, being by me first duly sworn deposed and said that:

He is appearing as a witness before the Tennessee Regulatory Authority in Docket No. 99-00662 on behalf of BellSouth Telecommunications, Inc., and if present before the Authority and duly sworn, his testimony would be set forth in the annexed testimony consisting of 12 pages and 0 exhibit(s).



Patrick C. Finlen

Sworn to and subscribed
before me on September 17, 2001


NOTARY PUBLIC

Notary Public, Cobb County, Georgia
My Commission Expires June 19, 2005